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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

APR 16 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)
)
Amendment of Part 1 of the) WT Docket No. 97-82
Commission's Rules --)
Competitive Bidding)

To: The Commission

**REPLY COMMENTS OF THE
ALARM INDUSTRY COMMUNICATIONS COMMITTEE**

The Alarm Industry Communications Committee of the Central Alarm Association (AICC) hereby submits its Reply Comments in response to Comments submitted in the above referenced proceedings. As discussed below, the record supports AICC's position that any "generic" auction rules adopted in this proceedings should not apply to Part 90 spectrum.

I. COMPETITIVE BIDDING PROCEDURES ARE INAPPROPRIATE FOR LICENSING CERTAIN SERVICES.

AICC agrees with commenters such as Hughes Electronics who have reminded the Commission that not only are the competitive bidding rules restricted by statute to mutually exclusive applications, but that the Commission is under an affirmative duty to strive to avoid mutual exclusivity in the application process. Hughes Comments at 3-4. While Hughes's concern centers on satellite frequencies, the same reasoning applies to other parts of the spectrum as well, such as Part 90 shared frequencies.

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List A B C D E

Public policy concerns dictate that in order to foster stability in the private user industries that are dependent on Part 90 spectrum, the Commission should make it clear that its competitive bidding rules, whatever they may be after this proceeding, do not apply to Part 90 channels. Shared channel operation is an efficient way to foster maximum use of the Part 90 spectrum, and by definition avoids mutual exclusivity. Therefore, auction rules would be inappropriate for such operations.

II. THE COMMISSION SHOULD RETAIN THE FLEXIBILITY TO CRAFT SERVICE SPECIFIC AUCTION RULES.

AICC also agrees with commenters such as AT&T Wireless and Airadigm Communications, et al., who advise the Commission to retain adequate flexibility to adopt service specific requirements where necessary. AT&T Wireless Comments at 1; Airadigm Comments at 2-3. Likewise, the Commission should refrain from accepting without reservation the suggestions of commenters like PageNet, who appear to advocate common auction rules for all future auctions. PageNet Comments at 7; see also Coalition of Institutional Investors Comments at 5. It is not apparent whether these commenters focused on the possibility of auctions for shared channels, since the FCC is not authorized to apply competitive bidding to such spectrum. Large commercial operators such as PageNet may have in mind auctions for lucrative commercial operations when they advocate generic rules. Such rules would be inappropriate for shared, internal use operations. Part 90 licensees generally use their assigned frequencies for internal purposes. In the case of alarm companies, these frequencies are used in connection with safety-related alarm monitoring. Many Part

90 licensees are small businesses that would find it a daunting task to compete for spectrum, even if a way could be found to auction shared frequencies and the Commission were given the authority to do so.

Conclusion

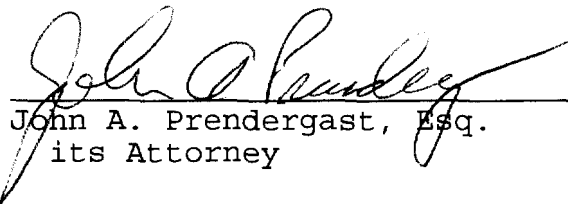
In view of the foregoing, it is respectfully submitted that the auction rules adopted in this proceeding should not apply to Part 90 spectrum.

Respectfully submitted,

Alarm Industry Communications Committee

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